

Exhibit 2

DOC 0478

PS Environmental Quarterly Update

Monday January 24, 2005

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Air Quality Opportunities

- NSR- New Source Review
 - ◆ *Currently committed to operate all coal units except Sooner 1 within self imposed limits to minimize NSR liability*
 - ◆ *Rumors of EPA inquiry in Oklahoma*
- Mercury
 - ◆ *DEQ issuance of mercury statewide advisory for fish consumption*
 - ◆ *Coal-fired boilers listed as main source*
- Clean Air Interstate Rule (CAIR) - Clean Air Mercury Rule (CAMR) - Clear Skies – Regional Haze
 - ◆ *CAIR finalized 3/1/05*
 - ◆ *CAMR finalized 3/15/05*
 - ◆ *Clear Skies top priority for Sen. Inhofe and Bush Administration with possible passage in 2005*
 - ◆ *Contains SO₂, NO_x and Mercury reductions, but no CO₂*
 - ◆ *Would supercede CAIR and CAMR*